



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Governor

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801-538-5340

February 11, 1993

Ms. Patricia LaRue Smithson
Corporate Attorney
Chemical Lime Company
P.O. Box 121874
Forth Worth, Texas 76121-1874

Dear Ms. Smithson:

Re: Review of Permit Transfer Application, Materials Energy Research and Recovery Company to Chemstar Lime Company, Marblehead Mountain Processing Facility, M/045/024, Tooele County, Utah

Thank you for your January 18, 1993 letter requesting approval of a permit transfer of the Marblehead Mountain Processing Facility (MERR) from Materials Energy Research and Recovery Company to Chemstar Lime Company. We have evaluated the form for completeness and have found a few deficiencies. These must be resolved before we can request Board of Oil, Gas & Mining approval of the replacement form and amount of reclamation surety. The Division cannot approve of the permit transfer until the Board approves of the new Reclamation Contract and replacement surety. Please provide the following information:

1. Page 6, Appendix "A", of FORM MR-TRL (copy enclosed) needs to be completed. This page was not attached to the permit transfer form which we received from you. The legal description should only reflect the actual disturbed acreage covered by the reclamation surety at the time of the permit transfer. The descriptive detail given on EXHIBIT "A", identifying the location of the Betsy mine claims (i.e., to the quarter-quarter-quarter section) is acceptable.
2. It appears that the legal description attached as Exhibit "A" to the Reclamation Contract, FORM MR-RC, describes the entire area encompassed by the placer mining claims (Betsy Nos. 1-16). This description should also only identify the actual bonded disturbed acreage.

We cannot determine from the enclosed placer mining claim map where the permitted plant site *disturbed area* boundary is located. Please provide a

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Ms. Patricia LaRue Smithson

M/045/024

February 11, 1993

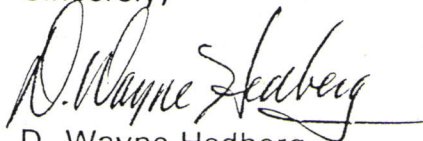
revised legal description and an updated disturbed area map which accurately reflect the presently disturbed and bonded acreage for this site.

3. "Attachment 1" to MR FORM-5, EXHIBIT B, also requires a written legal description of the lands to be disturbed. Please complete this attachment and return it to this office (copy enclosed).
4. Page 4, of FORM MR-TRL, "Final Sworn Statement of Transferee", is signed by Charles J. McCormick of MERR. Mr. McCormick also signed page 3, "Final Sworn Statement of Transferor". We believe page 4, should have been signed by a representative of Chemstar Lime Company (or Chemical Lime Company). We have enclosed another copy of page 4 to be used for updating this form.
5. Page 2 of 9, FORM MR-RC, has some minor information missing. We have prepared a revised page with the required information for your review. If acceptable, please initialize and date the changes and we will insert the revised page as a replacement to the form which you originally submitted.
6. The present \$269,000 reclamation surety amount is calculated in 1993 dollars. The surety is due for a 5-year renewal/adjustment by the end of this year. We would like to update the surety amount at this time. A new reclamation surety amount has been calculated by our mining engineer (see attachment). The new surety amount is \$272,000 in 1998 dollars.

Please have your surety company revise the bond amount and page 1 of the Surety Bond (MR FORM 5) to reflect this change. We have enclosed another copy of Exhibit B - MR FORM 5 to assist you in this regard.

Thank you for your assistance in resolving these remaining concerns. We apologize for the delay and inconvenience in completing this permit transfer. Please contact me, or Anthony Gallegos of my staff should you have questions or require supplemental information in this matter.

Sincerely,



D. Wayne Hedberg

Permit Supervisor

Minerals Reclamation Program

jb

Enclosures

cc: Lowell Braxton, DOGM

M045024.trl

STATE OF _____)
COUNTY OF _____) ss.

FINAL SWORN STATEMENT OF TRANSFEREE

_____ being first duly sworn under oath, depose and say that I
am _____ (officer or agent) of _____
(Corporation/Company Name); and that I am duly authorized to execute and deliver
the foregoing obligations; that I have read the application and fully understand the
contents thereof; that all statements contained in the transfer application are true and
correct to the best of my knowledge and belief. By execution of this statement, the
Transferee agrees to be bound by the terms and conditions of Notice of Intention
No. _____, the Utah Mined Land Reclamation Act, and the Rules and Regulations
promulgated thereunder.

Signature

Name (Typed or Print)

Title

Subscribed and sworn before me this ____ day of _____, 19____.

Notary Public

Residing at: _____

My commission Expires:

_____, 19____.

APPENDIX "A"

Operator _____

Mine Name _____

Permit Number _____

_____ County, Utah

The legal description of lands to be disturbed is:

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone)

The Prentice-Hall Corporation System, Inc.
185 South State Street
Salt Lake City, Utah 84111

"OPERATOR'S OFFICER(S)":

David M. Reilly, President & COO

"SURETY":

(Form of Surety - Exhibit B)

Surety Bond

"SURETY COMPANY":

(Name, Policy or Acct. No.)

National Union Fire Insurance Co
of Pittsburgh, PA

"SURETY AMOUNT":

(Escalated Dollars)

\$272,000

"ESCALATION YEAR":

1998 dollars

"STATE":

"DIVISION":

"BOARD":

State of Utah

Division of Oil, Gas and Mining

Board of Oil, Gas and Mining

EXHIBITS:

A "DISTURBED AREA":

B "SURETY":

Revision Dates:

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Chemstar Lime Company the "Operator" and the Board of Oil, Gas and Mining ("Board").

WHEREAS, Operator desires to conduct Intention (NOI) File No. M/045/024 which is in the State Division of Oil, Gas and Mining "Division of Oil, Gas and Mining" (hereinafter referred to as "Act") and

WHEREAS, Operator is obligated to reclaim the Disturbed Area as set forth and in accordance with the Reclamation Plan, and Operator is obligated to obtain approval by the Board, to assure reclamation

* Changes made:
to this page (2 of 9)

① Surety company name was filled in.

② Revised surety \$ amount

③ 1998 dollars vs. 1993

④ we will fill in a revision date for B "Surety" after our Board approves of revised amt. of surety.

Bond Number _____
Permit Number _____
Mine Name _____

"ATTACHMENT 1"

Operator

Mine Name

Permit Number

County, Utah

The legal description of lands to be disturbed is:

SURETY ESTIMATE UPDATE

DRAFT

Chemstar Lime Company
Marblehead Mountain Processing Facility
Tooele County, Utah

M/045/024

Prepared by Utah Division of Oil, Gas & Mining

last revision 02/10/93

DESCRIPTION:

- Operation being transferred from MERR to Chemstar Lime Company
- Original Reclamation Estimate calculated in terms of 1988-\$
- The estimate does not include topsoil redistribution or mulch application
- Vegetation test plot results will determine if topsoiling & mulching are needed
- This estimate includes demolition & removal of processing buildings & structure
- This surety update adjusts the 1988 estimate for escalation only
- Original Reclamation Estimate in 1988-\$ was \$239,800
- Escalation factors through 1991 are actual Means Historical Cost Indices
- Total disturbed area = 80 ACRES

CALCULATIONS	YR	ESCAL FACTOR	BOND AMOUNT
$F = P(1 + i)^{**n}$	1985	0.0290	\$0
	1986	0.0210	\$0
F = Future Sum	1987	0.0195	\$0
P = Present Sum	1988	0.0181	\$239,800
i = Escalation Factor	1989	0.0177	\$244,044
n = number of periods	1990	0.0077	\$245,924
	1991	0.0127	\$249,047
	1992	0.0127	\$252,210
	1993	0.0127	\$255,413
Three Yr Average = 1.27%	1994	0.0127	\$258,657
Used to Project 5 Yrs	1995	0.0127	\$261,941
Into the Future	1996	0.0127	\$265,268
From the Year 1993	1997	0.0127	\$268,637
	1998	0.0127	\$272,049

Updated Surety Amount Rounded (1998 \$) \$272,000

** Average cost per acre = 3,400 (\$/ACRE)